

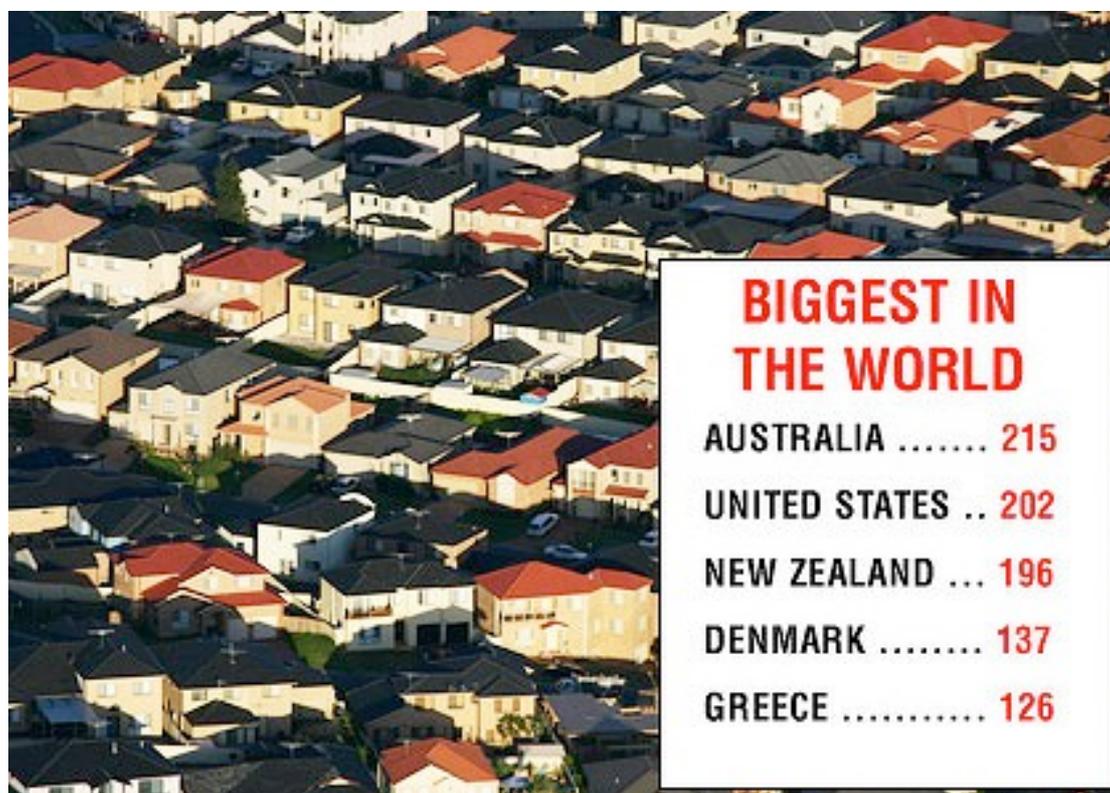
Home truths: Australia trumps US when it comes to McMansions

Author: Peter Martin, economics correspondent

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Image: McMansions in St Georges Road, Toorak. Photo by James Davies



Australians are piling on sitting rooms, family rooms, studies and extra bedrooms at the fastest rate in the world, with the size of our homes overtaking those in the US as the world's biggest.

The typical size of a new Australian home hit 215 square metres in the past financial year, up 10 per cent in a decade, according to Bureau of Statistics data compiled for Commonwealth Securities.

US figures show the size of new American homes shrinking from 212 square metres before the financial crisis to 202 square metres in September.

New homes in other parts of the world are far smaller, with Denmark the biggest in Europe at 137 square metres and Britain the smallest at 76 square metres.

The figures lend weight to a claim by the deputy governor of the Reserve Bank, Ric Battellino, this month that Australian house prices are high in part because Australian houses are better.

Almost half of the \$250 billion spent on housing each year was on alterations and additions, with one in every seven new houses "simply replacing existing houses that have been demolished".

Mr Battellino said Australians had so many holiday houses that the latest census found 8 per cent more dwellings than households.

Sydney houses are by far the nation's biggest with new free-standing houses typically spanning 263 square metres - providing more than 100 square metres of indoor space per person.

But the high proportion of townhouses and apartments in Sydney pushes the average dwelling size down to 205 square metres, just below the Australian average and about the same as in the US.

"Another way of looking at it is the number of bedrooms," said a Commonwealth Securities economist, Craig James.

"Around 20 years ago only one in every six homes had four or more bedrooms. By 2006 it was one in every 3.5 homes.

"While the fast pace of population growth points to the need for more and more homes, we are living in the biggest homes in the world. The simple fact is they could be better utilised."

Mr James is encouraged by a slight increase in the number of Australians living in each home. The average household size has crept up from 2.52 to 2.56 people in 2007-08.

"It may not seem remarkable but it appears to be the first increase in at least a century, and perhaps the first since European settlement.

"It makes sense. Population is rising, as is the cost of housing and the cost of moving house, so we are making greater use of what we've got.

Children are staying at home longer and more people are opting for shared accommodation.

The key question is whether it's permanent or temporary. If sustained, it will save us building 166,000 homes."